

Projections for Planning Purposes Only -- Not to be Used without Updating
2016 Estimated Costs and Returns per Acre
Irrigated Coastal Bermudagrass Pasture - 100 Acres
Southwest Extension District - 10

Crop Acres		100			
REVENUE	Quantity	Units	\$/Unit	Total	Enterprise Total
AUM Grazing Lease	16.00	AUM	\$18.75	\$300.00	\$30,000.00
Total Revenue				\$300.00	\$30,000.00
VARIABLE COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Production Costs					
Fertilizer					
Fertilizer 22-6-17	1816	Pound	\$0.20	\$363.20	\$36,320.00
Herbicide					
Prowl H2O	4	Pint	\$5.06	\$20.24	\$2,024.00
Miscellaneous					
Miscellaneous Forage Overhead	1	Acre	\$4.00	\$4.00	\$400.00
Irrigation					
Energy Cost	2990.00	kWh	\$0.17	\$508.30	\$50,830.00
Machinery Labor					
Tractors/Self-Propelled	0.5	Hour	\$12.00	\$6.00	\$600.00
Diesel Fuel					
Tractors/Self-Propelled	2.51	Gallon	\$2.10	\$5.27	\$527.10
Gasoline					
Pickup/General Use Equipment	1	Acre	\$19.77	\$19.77	\$1,976.67
Repairs & Maintenance					
Pickup/General Use Equipment	1	Acre	\$4.94	\$4.94	\$494.21
Irrigation Equipment	1	Acre	\$31.10	\$31.10	\$3,109.60
Tractors/Self-Propelled	1	Acre	\$0.81	\$0.81	\$81.38
Implements	1	Acre	\$1.95	\$1.95	\$194.51
Interest on Credit Line			6.50%	\$2.21	\$220.56
Total Variable Costs				\$967.78	\$96,778.02
Planned Returns Above Variable Costs:				(\$667.78)	(\$66,778.02)
Breakeven Price to Cover Variable Costs			\$60.49	AUM	
FIXED COSTS	Quantity	Units	\$/Unit	Total	Enterprise Total
Machinery Depreciation					
Pickup/General Use Equipment	1	Acre	\$25.74	\$25.74	\$2,574.00
Irrigation Equipment	1	Acre	\$48.53	\$48.53	\$4,853.31
Tractors/Self-Propelled	1	Acre	\$3.41	\$3.41	\$341.47
Implements	1	Acre	\$1.60	\$1.60	\$159.97
Equipment Investment					
Pickup/General Use Equipment	\$107.25	Dollars	6.50%	\$6.97	\$697.13
Irrigation Equipment	\$364.00	Dollars	6.50%	\$23.66	\$2,365.99
Tractors/Self-Propelled	\$29.74	Dollars	6.50%	\$1.93	\$193.33
Implements	\$18.09	Dollars	6.50%	\$1.18	\$117.57
Irrigated Winter Garden Rent	1	Acre	\$50.00	\$50.00	\$5,000.00
Total Fixed Costs				\$163.03	\$16,302.77
Total Specified Costs				\$1,130.81	\$113,080.79
Returns Above Specified Costs				(\$830.81)	(\$83,080.79)
Breakeven Price to Cover Total Costs			\$70.68	AUM	

Example Breakeven Prices			
Example Yield Percent	Example Yield AUM	Price Needed to Cover Your Variable Costs	Price Needed to Cover Your Total Costs
75%	12.00	\$80.65	\$94.23
90%	14.40	\$67.21	\$78.53
100%	16.00	\$60.49	\$70.68
110%	17.60	\$54.99	\$64.25
125%	20.00	\$48.39	\$56.54

Developed by Rob Hogan, Associate Professor and Extension Economist, Texas A&M AgriLife Extension.

Information presented is prepared solely as a general guide and not intended to recognize or predict the costs and returns from any one operation. Brand names are mentioned only as examples and imply no endorsement.